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February 25, 2019

VIA ECF AND FACSIMILE (212) 805-7986

The Honorable Paul G. Gardephe
United States District Judge for the Southern District of New York
Thurgood Marshall
United States Courthouse
40 Foley Square
New York, NY 10007

**Re: Wesco Insurance Company and Technology Insurance Company, Inc.
v. Personnel Staffing Group, LLC; Civil Action No.: 18-cv-03771 (PGG)
Joint Status Letter Regarding Settlement and Case Management Plan**

Dear Judge Gardephe:

In accordance with the Court's January 16, 2019 Order, the parties submit this joint status letter.

This action was brought by Wesco Insurance Company and Technology Insurance Company, Inc. ("Wesco") asserting claims for breach of contract by Personnel Staffing Group, LLC ("PSG") for its alleged failure to permit an audit and to pay final premium due on two workers' compensation and employers' liability insurance policies.

This action has been stayed by the Court so that (a) PSG could provide payroll information to Wesco, (b) Wesco could conduct a payroll audit based on that information, and (c) the parties could negotiate a final settlement based on the results of the audit. Wesco provided an audit summary report to PSG on January 11, 2019. Following the parties' January 14, 2019 joint letter to the Court, the parties have been involved in settlement discussions, but have not yet resolved the dispute. The parties remain hopeful that their discussions will be successful. In order to allow for further settlement discussions, the parties jointly respectfully request that the Court allow for a final stay of this action for five weeks to April 1, 2019. The parties hope to resolve the action with this last extension of the pending stay. If they are unsuccessful in that attempt, they intend to request a settlement conference.

We thank the Court for its consideration, and we are available at the Court's convenience to address any questions or concerns regarding the foregoing.



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